



# AUTOMOBILE MECHANICS' LOCAL 701 WELFARE FUND

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## IMPORTANT BENEFIT PLAN CHANGES

The Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund have made certain changes to the **Premier Plus**, **Premier**, and **Pre-Medicare Retiree** plans (collectively, the "Plans") as documented in the applicable combination Summary Plan Description and Plan Document ("SPD/Plan") that was previously provided to you. Each change is summarized below and is effective as of the date indicated below.

1. The **Premier Plus**, **Premier**, and **Pre-Medicare Retiree** Plans were amended to modify the eligibility requirements for certain retirees, effective as of January 1, 2023.
2. The **Pre-Medicare Retiree Plan** was amended to modify the eligibility rules for spouses where the member fails to enroll in coverage, effective as of January 1, 2023.

## SUMMARY OF MATERIAL MODIFICATIONS

This document, referred to as a “summary of material modifications,” is intended to supplement the SPD/Plan. You should retain this summary of material modifications with your copy of the SPD/Plan. If you have any questions, you may contact the Fund Office (708) 482-0110 ~ Toll Free (800) 704-6270.

### **1. Modification of Eligibility for Certain Retirees**

Effective January 1, 2023, the Retired Employee Eligibility subsections under the Retiree Benefits sections in the **Premier Plus, Premier, and Pre-Medicare Retiree** SPDs/Plans is updated to read as follows:

#### **Retired Employee Eligibility**

##### **Eligibility at Retirement**

When you retire, you may be eligible for Retiree Benefits if you meet the following requirements (under Option 1 or Option 2; note that Option 2 is an additional eligibility option as of January 1, 2023):

##### Option 1:

- You were a collectively bargained Participant in a welfare plan offered under the Automobile Mechanics’ Local 701 Union and Industry Welfare Fund; and
- You meet one of the two following years of coverage requirements:
  - You have attained age 55 ~~are~~ and are eligible to begin receiving ~~for~~ an immediate, early, disability or normal retirement benefit from the Local 701 Pension Fund or the IAM National Pension Fund and have at least 10 years of eligibility in the Local 701 Welfare Fund with coverage in all of the 5 years immediately prior to retirement. A person will be considered to have had coverage in all of the 5 years immediately prior to retirement if he had at least 20 weeks of Covered Employment during each of such years; OR
  - You are at least age 55 and have 20 years of eligibility as a Participant in the Local 701 Welfare Fund.
- You file a written application for Retiree Benefits and make the applicable required self-payment within 90 days of the date when your eligibility for Active Employee Benefits under the Premier Plus or Premier Plan terminates.

If you meet all of the conditions listed above in Option 1, your eligibility for Retiree Benefits will begin on the first day of the month after your coverage as an Active Employee ends under the Premier Plus or Premier Plan of Benefits; provided that you submit your application and make the required self-payment within the 90-day timeframe stated above. If you do not file your application or make the required self-payment within the 90-day timeframe, you will lose your eligibility for Retiree Benefits, with no possibility of reinstatement.

##### Option 2 (effective January 1, 2023, in addition to Option 1):

- You meet one of the two following years of coverage requirements:
  - You have attained age 55 and have at least 25 years of eligibility in the Local 701 Welfare Fund with at least 10 of the last 15 years of coverage prior to retirement with the Local 701 Welfare Fund; OR
  - You have attained age 55 and have at least 30 years of eligibility in the Local 701 Welfare Fund with at least 5 of the last 15 years of coverage prior to retirement with the Local 701 Welfare Fund.

- In order to obtain eligibility for Retiree Benefits under Option 2, you must file a written application for Retiree Benefits and make the applicable required self-payment at least 30 days prior to the effective date of Retiree Benefits.

If you meet all of the conditions listed above under Option 2, your eligibility for Retiree Benefits will begin on the first day of the month following 30 days from the date the Fund Office receives your submitted application and required self-payment.

**2. Change to Pre-Medicare Retiree Plan Eligibility Rules for Spouses Where Member Fails to Enroll in Coverage**

Effective January 1, 2023, the paragraph titled “When Dependent Coverage Ends under Retiree Benefits” in the **Pre-Medicare Retiree SPD/Plan** is updated to read as follows:

**When Dependent Coverage Ends under Retiree Benefits**

Your Dependent spouse's coverage ends either on the day your coverage ends under this Pre-Medicare Retiree Plan (except if both (a) you are Medicare-eligible and eligible to enroll in coverage under the Post-Medicare Retiree Plan but ~~both you and your spouse are~~ is ineligible to enroll in ~~the Towers Watson program, as described above~~ coverage under the Post-Medicare Retiree Plan and (b) you actually enroll in coverage under the Post-Medicare Retiree Plan and remain continuously enrolled in such coverage), on the day you legally separate or divorce, when the Plan discontinues benefits for Dependent spouses, when your Dependent spouse becomes eligible for Medicare, or when you fail to submit the required self-payment, whichever occurs first. If you enroll in coverage under the Post-Medicare Retiree Plan upon becoming initially eligible to do so, but subsequently drop such coverage, your Dependent spouse’s coverage under both the Pre-Medicare Retiree Plan and the Post-Medicare Retiree Plan will end on the date your coverage under the Post-Medicare Retiree Plan ends.

Under the Enhanced Option, your Dependent child’s coverage ends either on the day your coverage ends, on the day he/she is no longer a Dependent as defined by the Plan, when the Plan discontinues benefits for Dependent children, or when you fail to submit the required self-payment, whichever occurs first.

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